

VZCZCXRO8391
PP RUEHGA RUEHQU RUEHVC
DE RUEHHA #0112 1651002
ZNR UUUUU ZZH
P R 141002Z JUN 06
FM AMCONSUL HALIFAX
TO RUEHC/SECSTATE WASHDC PRIORITY 1026
INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE
RUEHOT/AMEMBASSY OTTAWA 0373
RUEHHA/AMCONSUL HALIFAX 1092

UNCLAS HALIFAX 000112

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FOR WHA/CAN

E.O. 12958: N/A

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SUBJECT: NOVA SCOTIA ELECTION: INCUMBENT CONSERVATIVES BACK WITH
SMALLER MINORITY

REF: HALIFAX 0110

11. SUMMARY: Nova Scotia Premier Rodney MacDonald will serve another term in office following the June 13 provincial election, but once again, as the leader of another minority government. MacDonald's Progressive Conservative Party failed to get enough seats to capture a clear majority and the re-elected Premier will again be looking to form a collaborative arrangement with the second place New Democrats and third-place Liberals. If there is a victor in this inconclusive contest it was the NDP, which picked up five seats to a historic high of 20. END SUMMARY

12. Nova Scotians woke up the day after the June 13 provincial election wondering why they even had gone to the polls as nothing has changed significantly on the political landscape. At the time of his election call, Nova Scotia Premier Rodney MacDonald and his Progressive Conservatives had 25 seats in the 52-seat Legislature, the NDP 15, and the Liberals 10 (There was also one independent and one vacancy.) Now MacDonald has found himself in a slightly worse situation with 23 seats, versus the NDP with 20, and the Liberals with nine. One of our IVLP candidates, NDP house leader Kevin Deveaux, won re-election with 64% of the vote.

13. All three political parties had big hopes for the campaign. MacDonald was looking for a clear majority to end the almost three-year stalemate situation his party had in the legislature. The party did not make a hoped-for breakthrough in MacDonald's home region of Cape Breton, and lost two races close that they had to win, in the district of Queens (usually solid Tory territory) and in downtown Halifax Citadel, where Tory leadership hopeful Bill Black lost by less than 200 votes to NDP candidate (and Consulate contact) Leonard Preyra. The NDP were looking for an historic breakthrough to see them form the first-ever NDP government east of Ontario, and while they did not get that, they did get their all-time best result. The Liberals were looking to at least better their count in the House dominated by the PCs and the NDP; in the event their leader, Francis MacKenzie, failed in his bid to be elected in Bedford, a Halifax suburb, and will step down as leader soon, leaving the party further in disarray. With no clear victor in the election, it's now back to the negotiating table to see if the three parties can work out another collaborative deal to keep the government functioning.

14. COMMENT: Strategists will be going over the results in the post-mortem phase of the election to explain just how and why Nova Scotians ended up voting for virtually the same configuration as they had before in the House. Whatever the reason, the voters have spoken and Premier MacDonald has little choice but to go cap in hand to the NDP and the Liberals to ask for their support. We will see an early indication of just how successful the re-elected Premier will be in that endeavor as he

must quickly open the legislature and pass the budget that was held up by the election events. To add to his worries he will have to make some required revisions to the document in his new quest to pay for a fistful of campaign promises for an election he had hoped would have had a different ending. We do not see any significant changes in provincial attitudes on bilateral issues. END COMMENT

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